

**HealthFlex costs for actives in 2011 will be \$13,440.**

**Clergy will pay \$112 per month toward their 10% share. This can be done as a Section 125 “pre-tax” option.**

**A PPO buy up is \$175 per month for a single pastor and \$400 for a family.**

**THE CLERGY PERSON IS RESPONSIBLE FOR PAYING THIS ADDITIONAL COST. Again, it can be done with a Section 125 “pre-tax” option.**

**Local Church Contribution for Pension Benefits:**

The Pension funding will be 17.4 % of compensation.

For 2011 the total billing for pension, death, and disability benefits will be based on an annual rate of 17.4% of pastoral compensation.

- 11.4 % of this is for the defined benefit of Clergy Retirement Security Program (CRSP).
- 3 % is in lieu of CPP premiums for death and disability, and
- 3% is for a defined contribution for each clergy’s personal account at the GBOPHB.

**New in 2011:** If a church does not pay the benefits for pensions, the clergy person’s personal account may not be credited with the 3% contribution until the church pays the cost.

**RETIREE COSTS:**

The Retiree HealthFlex costs for 2011 will be \$4,824 per participant.

Each retiree is required to contribute at least 25% based on years of service.

However, your Board of Pensions is taking into account a rebate that we received from Medicare for maintaining the medigap insurance. These funds, never included in the formula previously, will now offset the retired participant’s contribution.

We are reducing the payment required from \$1,128 in 2010 to \$804 for 2011 (for 25% contributors). This is a cost reduction of \$324 per participant over 2010 rates.

**Length of Service                      Level of Contribution/Cost per Participant**

15 years plus	25% of cost — \$804 per participant
11 to 14 years	50% of cost — \$1,608 per participant
6 to 10 years	75% of cost — \$2,412 per participant
1 to 5 years	100% of cost — \$3,216 per participant

**Past Service Rate:** It is our recommendation that the PSR in the Pre-1982 Plan be set at \$545.00 for 2011. There is no increase this year in the PSR.

## **2011 Administrative Policies for Health Benefits Program**

**The guidelines by which our health benefits program is administered are presented here for the sake of clarity and understanding by all:**

- 1. Uniform Rate:** Since our health benefits plan covers all full-time and three-quarter time clergy, our connectional responsibility requires that every church served by a fulltime or three-quarter time pastor pay the uniform rate. The uniform rate is NOT an insurance premium for the individual currently serving as the church's pastor. It is each fulltime or three-quarter time church's equal share of the total Annual Conference premium that provides health benefits for active clergy, conference staff and their families throughout our diverse conference.

The uniform rate is determined by the total annual cost for active pastors in fulltime or three-quarter time appointment and conference staff, divided by the number of clergy under fulltime and three-quarter appointment and conference staff. The local church pays 90% of the uniform rate and covered clergy pay 10%. For conference staff, the Annual Conference pays 90% of the uniform rate and staff members pay 10%.

- 2. PPO Buy-Up:** Active participants may buy up to the Preferred Provider Organization (PPO) network. Those who choose the PPO buy-up must pay the uniform rate plus the additional premium for the PPO option.
- 3. Clergy Couple Under Appointment:** Clergy couples, in which both ordained spouses serve under appointment in separate fulltime churches, are treated in the HealthFlex census as separate units. Each church, per section 1 above, is responsible for paying its 90% of the uniform rate. The clergy couple is responsible for paying a single 10% of the uniform rate. Note: Each partner is given his or her own health benefits card. If there are dependent children, the couple must determine on which one's card to list the dependent children.
- 4. Churches Served by Retired Clergy:** All churches served by fulltime or three-quarter time pastors are responsible for paying 90% of the uniform rate, per section 1 above, regardless of the status, retired or not, of the current pastor.

Retired clergy age 65 or above, who serve in fulltime or three-quarter time appointment will continue to be carried as actives in HealthFlex and will, therefore, be responsible for paying their 10% of the uniform rate.

5. **Retired Clergy:** Retired clergy not under fulltime or three-quarter time appointment, age 65 or above, must be signed up with the Social Security Administration for coverage under Medicare, Part A and Part B, before they can be enrolled in the HealthFlex Medicare Supplement Plan. Retired clergy are responsible for paying a portion of the premium cost based on years of service. The Annual Conference pays the difference.
6. **Surviving Spouse of Clergy:** The covered surviving spouse of a clergy member enrolled in HealthFlex may continue in the plan at his or her expense. A surviving spouse who is not yet 65 will pay the premium cost for a single individual and any applicable dependents. A surviving spouse 65 or over whose primary coverage is Medicare will pay 25% of the premium cost for the HealthFlex Medicare Supplement.
7. **Retiree Eligibility:** A Retired Participant eligible for the HealthFlex Medicare Supplement is defined as a former Active Participant in the New York Annual Conference Health Benefit Plan with at least five years of continuous coverage at the time of retirement, and whose primary coverage at retirement is through Medicare Part A and Part B. Retirees with 15 years or more of service in the conference prior to retirement are required to pay 25% of the premium. Retirees with fewer than 15 years of full-time service will be covered at higher levels of personal contribution to the cost, per the following schedule:

<b>Length of Service</b>	<b>Level of Contribution</b>
15 years plus	25% of cost
11 to 14 years	50% of cost
6 to 10 years	75% of cost
1 to 5 years	100% of cost

8. **Clergy Who Retire Before the Age of 65:** Clergy who retire before the age of 65 must continue, at their expense, their coverage in HealthFlex as if active until their 65th birthday. If such early-retired clergy choose not to continue in the conference HealthFlex program they may not re-enter conference coverage and they will be ineligible for coverage in the HealthFlex Medicare Supplement Plan at age 65. Eligibility for the conference HealthFlex Medicare Supplement Plan requires at least five years of continuous coverage in the conference actives plan before age 65.
9. **Retired Clergy with Spouse Younger than Age 65:** A retired clergy member with a spouse younger than age 65 may have the spouse covered in the active HealthFlex plan at his or her expense. Eligibility for coverage in the conference HealthFlex Medicare Supplement Plan when the spouse reaches age 65 requires at least five years of continuous coverage in the conference actives plan before age 65.

## **10. Termination for Non-Payment**

New York Annual Conference

### **Health Flex Termination Policy**

*Effective July 1, 2010*

If the health insurance payment for a participant is not received within 60 days of the due date, notice will be sent by regular mail to the Finance Committee Chairperson, Church Treasurer, Lay Member of Annual Conference, Pastor/Staff Parish Relations Chairperson, Lay Leader, District Superintendent and by certified mail with return receipt to the Pastor, declaring that if past due payments from the pastor or the church are not received within the next 30 days, steps will be initiated to cancel the participant's coverage.

Note: It is understood that the church is responsible for payment toward the uniform rate as well as any section 125 plan amounts that have been withheld from the pastor's salary due to a salary reduction agreement for that purpose.

The pastor is responsible for any PPO buy-up on the plan. If the church is withholding these funds and not paying the billing from the Annual Conference, it is in violation of Federal law.

After the notice has been sent on a 60 day default, and there is no response from the church or the pastor after the subsequent 30 days in the form of payment in full or written response, then the District Superintendent and the Treasurer/Director of Administrative Services, in consultation with Conference Council on Finance and Administration and the Conference Board of Pension and Health Benefits, will make a decision to move toward termination. A certified letter will be mailed, return receipt requested, warning of the termination to take place in 15 days.

*Note: Insurance will not be terminated until at least 45 days have passed after the initial notice that payment was due.*

Any Medical Reimbursement Account or family care account will be frozen until future payments are made. Also, any PPO buy-up will be terminated. Once a pastor and her/his dependents, if any, are dropped from the plan, they can only re-enter during the open enrollment period in November for the following year.

By the time of open enrollment for the following year, a payment schedule must be provided by the pastor and the local church with commitment for monthly payments for that new year.

## **Retired Clergy Termination Policy**

All retirees participating in the Medicare companion plan will be required to elect automatic payment from the monthly pension check for their contribution. All retirees are encouraged to participate in this plan.

If a retired clergyperson is 90 days late in their payment share of the premium for the Medicare Companion Plan, a certified, return receipt letter will be sent to the individual requesting the payments be made current within 30 days. Phone calls will also be made by the Board of Pension and Health Benefits chairperson. If there is no response within that 30 day period, a second certified return receipt letter will be sent, warning of the termination to take place in 15 days.

*Note: Insurance will not be terminated until at least 45 days have passed after the initial notice that payment was due.*

The Treasurer/Director of Administrative Services and the Board of Pension and Health Benefits will administer grants in special circumstances to any retiree who cannot afford the premiums.